

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2204 - SB 2180

February 27, 2016

SUMMARY OF BILL: Establishes that proceeds from the sale of meals obtained through elementary and secondary schools' reduced-priced meal program can be deducted from gross receipts for the purposes of computing the business tax.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- The proceeds of the sale of school supplies and meals, including meals provided through reduced-priced meal programs, to students and school employees on campus by elementary and secondary schools may currently be deducted from gross receipts in computing the tax liability; provided that the proceeds of all sales of such items by private independent contractors shall not be deducted.
- According to the Department of Revenue, the proposed legislation codifies current practice regarding such business tax computations.
- The proposed legislation does not authorize private independent contractors to deduct proceeds from the sale of meals through reduced-priced meal programs.
- Any impact on business tax collections will be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

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